

**TOWN OF BRADLEY**  
**June 30, 2013**

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**Independent Accountant's Report  
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Bradley  
Bradley, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

Grady County Clerk  
Chickasha, Oklahoma

Association of South Central Oklahoma Governments  
Duncan, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Modified Cash Basis of the Town of Bradley, Bradley, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of CDBG Fund-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2013. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis and the requirements of Oklahoma statutes and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the

user's conclusions about the Town's change in assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the Town of Bradley is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Procedures and Findings

As to the **Town of Bradley** as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and all other governmental funds, listing separately each federal fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

**Condition:** Appropriations were exceeded at the legal level of control for the year ended June 30, 2013.

- ✚ In the General Fund, the capital outlay budget was overspent \$49,868. The total budget was not overspent.

**Cause:** The Town failed to notice this fund's capital outlay budget was overspent.

**Criteria:** The Town is not allowed to spend more than its appropriations. Amendments to their appropriations should be approved when the Town knows it will exceed its current budget amounts. The board may approve transfers between categories in each fund and supplements may be filed with the county for new revenue which when spent will cause expenditures to exceed current appropriations.

**Recommendation:** The Town should closely monitor each budget on a monthly basis and not approve any expenditure exceeding appropriation until additional amendments have been made and approved. The categories of each budgeted fund should be tracked in order to determine the remaining budget balance. Council can approve transfers between budgeted categories for each fund. Budget supplements must be approved by the County Excise Board.

**Management's Corrective Action Plan:** The Town Clerk will monitor the budget more closely and ensure that necessary adjustments are made in the future.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Findings:** No exceptions were found as a result of applying the procedure.

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Condition:** The Town did not have sufficient collateral pledged to cover all accounts at year end. They were short \$6,505.

**Cause:** The Town's accounts have never exceeded \$250,000 and they were unaware of the requirements of requesting additional collateral pledged from the bank to cover the excess in their accounts.

**Criteria:** The Town should be comparing uninsured deposits to fair value of pledged collateral and increasing the amounts as needed to cover all uninsured and uncollateralized deposits.

**Recommendation:** The Town needs to contact their bank and request collateral pledged to cover all cash in excess of \$250,000.

**Management's Corrective Action Plan:** The Town has already contacted the bank to correct this error and will monitor their accounts more closely in the future.

5. **Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

As to the **Town of Bradley Grant Programs**, as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 4) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

**Findings:** No exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

*Angel, Johnston + Blasingame, P.C.*

Angel, Johnston and Blasingame, P.C.  
December 2, 2013

TOWN OF BRADLEY  
Bradley, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCES-MODIFIED CASH BASIS  
For the Fiscal year ended June 30, 2013  
(Unaudited)

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
<b>TOWN:</b>				
General Fund	\$ 119,777	256,725	120,116	\$ 256,386
CDBG Fund	460	0	0	460
<b>Town Total</b>	<u>\$ 120,237</u>	<u>\$ 256,725</u>	<u>\$ 120,116</u>	<u>\$ 256,846</u>

**TOWN OF BRADLEY**  
Bradley, Oklahoma

**BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS**  
**GENERAL FUND**  
For the Fiscal Year Ended June 30, 2013  
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ 119,777	\$ 119,777	\$ 119,777	\$ -
<b>Intergovernmental-Local:</b>				
<b>General Fund</b>				
Franchise tax	1,841	1,841	2,270	428
Total Intergovernmental-Local	<u>1,841</u>	<u>1,841</u>	<u>2,270</u>	<u>428</u>
<b>Intergovernmental-State:</b>				
Sales Tax	54,805	54,805	152,214	97,409
Motor Vehicle Tax	1,188	1,188	974	(214)
Alcohol beverage Tax	1,056	1,056	846	(210)
Gasoline Tax	221	221	243	22
Cigarette Tax	336	336	2,678	2,342
Total Intergovernmental-State	<u>57,606</u>	<u>57,606</u>	<u>156,956</u>	<u>99,350</u>
<b>Miscellaneous Revenue:</b>				
Interest	70	70	217	147
Rental	547	547	555	8
Donations	-	-	-	-
Insurance Reimbursement	-	-	-	-
Miscellaneous	-	-	138	138
Grants	-	-	96,590	96,590
Total Miscellaneous Revenue	<u>616</u>	<u>616</u>	<u>97,499</u>	<u>96,883</u>
<b>Amounts available for appropriation</b>	<u>179,840</u>	<u>179,840</u>	<u>376,501</u>	<u>196,661</u>
<b>Charges to Appropriations:</b>				
<b>General Government:</b>				
Personal Services	10,000	10,000	7,376	2,624
Maintenance & Operations	119,840	119,840	12,871	106,969
Capital Outlay	50,000	50,000	99,868	(49,868)
Transfer to Other Funds	-	-	-	-
Total Other	<u>179,840</u>	<u>179,840</u>	<u>120,116</u>	<u>59,725</u>
<b>Total Charges to Appropriations</b>	<u>179,840</u>	<u>179,840</u>	<u>120,116</u>	<u>59,725</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,386</u>	<u>\$ 256,386</u>

TOWN OF BRADLEY  
Bradley, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS  
CDBG FUND  
For the Fiscal Year Ended June 30, 2013  
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$ 460	\$ 460	\$ 460	\$ -
<b>Revenues:</b>	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>Non-Revenue Receipts:</b>				
Transfers from other funds	\$ -	\$ -	\$ -	\$ -
<b>Amounts available for appropriation</b>	\$ 460	\$ 460	\$ 460	\$ -
<b>Charges to Appropriations:</b>				
Personal Services	-	-	-	-
Maintenance & Operations	460	460	-	460
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Other	\$ 460	\$ 460	\$ -	\$ 460
<b>Other Financing Uses:</b>				
Transfers to other funds	\$ -	\$ -	\$ -	\$ -
<b>Total Charges to Appropriations</b>	\$ 460	\$ 460	\$ -	\$ 460
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ 460	\$ 460

TOWN OF BRADLEY  
Bradley, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS  
For the Fiscal Year Ended June 30, 2013  
(Unaudited)

	<u>Award Amount</u>	<u>Prior Year(s) Receipts</u>	<u>Prior Year(s) Disbursements</u>	<u>Beginning of Year Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Unexpended Grant Funds</u>
<b>TOWN:</b>							
ASCOG -							
15143 CENA 13	\$ 6,590	\$ -	\$ -	\$ -	\$ 6,590	\$ 6,590	\$ -
REAP Bradley-102254	45,000	-	-	-	45,000	45,000	-
REAP Bradley-112276	45,000	-	-	-	45,000	45,000	-
<b>Town Total</b>	<u>\$ 96,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,590</u>	<u>\$ 96,590</u>	<u>\$ -</u>